

COMMITTEE ON HUMAN RESOURCES/INSURANCE

September 30, 2002

6:00 PM

Chairman Lopez called the meeting to order.

The Clerk called the roll.

Present: Aldermen Lopez, Pinard, Shea, DeVries

Absent: Alderman Sysyn

Messrs: K. Sheppard, S. Tellier, F. Rusczech, G. Lamberton, Solicitor Clark,
B. Vigneault, L. Buccino

NEW BUSINESS

Chairman Lopez stated before we get into the discussion, if you look at the correspondence from the HR Director in reference to a compliance order with the United States Environmental Protection Agency where we have to hire a temporary storm program coordinator...let's have Ginny or Kevin Sheppard explain that the money is coming from the Federal government and no City funds are being authorized. Is that correct?

Mr. Sheppard stated we requested of Ms. Lamberton to fill a temporary Engineer II position. This position will be funded through the supplemental environmental protection projects under the CSO order handed down by the EPA. There is a long history. We are going to be giving a presentation to the Board of Mayor and Aldermen on the Phase II Storm Water Program but the EPA has told large cities...under Phase II any city over 100,000 in population has to be in compliance with this Phase II regulation and they have laid out six minimum controls – the best management practices. We brought in a consultant to do the first phase for us. We need a notice of intent into the EPA by March of 2003. The consultant performed the first phase of this work for us in preparation of the notice of intent. We were satisfied with their work but we feel that going into the second phase and preparing and filing for the notice of intent it would be in the City's best interest to bring on a temporary engineer to work with the consultant. We see that as a savings to the City as well as having better control over our application to the EPA.

Alderman Shea asked does this cover everything, Kevin, like salary and benefits.

Mr. Sheppard answered yes. The way we projected it is if we went with a consultant on the second phase, the consultant cost would be approximately \$350,000 and if we brought on our own engineer II to work with the consultant to get this phase II and notice of intent applied for, it would be approximately \$330,000 so there is a savings of approximately \$20,000 in there. We feel we would have better control of this and like I said it is paid out of the SEP funds under the CSO program.

Alderman Shea asked so the answer to the question is it would include everything.

Mr. Sheppard answered yes.

Alderman DeVries asked the second phase that you are referring to of the CSO project, is that something that is brief enough for you to outline. What is the second phase?

Mr. Sheppard replied this is actually Phase II of the Storm Water Program. It is separate from the CSO program. Additional regulations have been brought down by the EPA to control storm water going into fresh water rivers in cities throughout the country. We have to do testing at the storm water outfalls and see if there are any dry weather flows, etc. There are public outreach programs. There is garage maintenance. Like I said there are six minimum controls that we have to comply with and the best thing is, like I said we will be making a presentation to the Board of Mayor and Aldermen probably at the beginning of the year where we have to apply for this notice of intent by March.

On motion of Alderman DeVries, duly seconded by Alderman Shea, it was voted to approve the request from the Highway Department to hire a Civil Engineer II, salary grade 21.

Chairman Lopez addressed Item 3 of the agenda:

Review and discussion relative to the proposed reorganization of the Board of Assessors.

Chairman Lopez stated I want to make one comment and quote the preamble of our Charter "we the citizens have to govern ourselves in the most effective, efficient and beneficial manner." That is on Page 142. I think it is very important that when we did the Charter, as a former Charter Commissioner, that we always look for the best and then the vote is taken and it is decided what is the best. With that, I will ask the Honorable Mayor Baines to make his presentation.

Mayor Baines stated I appreciate the opportunity to begin what I believe to be a very productive dialogue about how we deliver government services to the people of this community. As Alderman Lopez stated with his comments from the Charter and I didn't know he was going to talk about that tonight but we do have a responsibility here. What I have tried to do since becoming Mayor is look at obviously the financial challenges that have been presented to the Mayor and to the entire Board of Mayor and Aldermen and the citizens to try to bring about as many cost savings as possible while at the same time providing vital services to the community. However, during the time period going forward I think the comment that I am going to make to you this evening is very simply. We cannot afford as a community to have the Board of Mayor and Aldermen continue to say no to various proposals that are coming before us that will provide a much more efficient and accountable government for the citizens of our community. If you look at what happened just this past year through prudent fiscal management, we delivered a \$3.6 million budget surplus through management of government accounts. There was a report presented to the Committee on Accounts this past year. That was in addition to obviously dealing with an almost \$1 million projected Welfare Department deficiency. However, we came up short this past year in revenues to the extent that we did not meet revenue projections to the total of \$2.66 million. I want to remind the Board of some history here tonight and you are going to hear me talking a lot about it going forward. At the last minute before the budget was adopted last June, approximately 6.9% was added for revenues. Those were beyond my recommendations and beyond the recommendations of the Finance Office. If those revenue projections had been accepted and we had taken the kind of physical actions we have taken we might have quite a different scenario to talk about this evening going forward but you must know what the challenges are going forward in terms of some obligations. By the way just so we can delineate it, parking revenues are \$1.4 million off; investment earnings \$700,000; parking fines \$270,000; building permits \$180,000; and auto registration \$110,000. What are the challenges going forward? We recently were notified that we are going to have additional obligations in terms of retirements. For Police and Fire alone that is an additional \$1 million beyond what we would have anticipated because of the economic times we are in and investments being off with the various systems that are out there. I was in Washington last week and hearing a lot of mayors who were very, very concerned about this. That is just on the State retirement. As you remember at the last minute this past year we were confronted with approximately \$600,000 in additional expenses to the City retirement. We could be facing a similar thing this year. Contract employment implementation is another \$53 million. Next year we have 53 pay periods. That is an additional \$1 million. Health insurance is expected to increase another \$1.5 million. Debt service will increase \$2 million. The school deficit, by the way, we have to pay off in this next budget. That was an obligation we made to the courts. We have to budget \$2 million to pay off the rest of the deficit that was left over

from Mr. Tanguay's administration. We have to open up the Cohas Brook Fire Station at a cost of about \$1.2 million. We may have more additional expenses with the overlay and various other escalators in the budget. The proposals you are dealing with this evening are not going to solve a lot of problems in the short-term but in terms of the assessors and the way we operate the assessor's office as we learned during the last budget process, is perhaps the most critical of departments that exist in the City as it relates to our tax base, what happens with our tax base, what happens with abatements and things of that nature. Every single taxpayer in the City of Manchester is impacted by the way we handle assessments, abatements and that whole process. There are going to be a lot of issues that are going to surface during discussion but I am going to tell you very clearly we cannot afford to continue the present system. Let me repeat that once again. We cannot afford to continue with the present system. There are going to be a lot of people who are going to weigh in to keep a full-time Board of Assessors at a cost of \$250,000 for a variety of reasons but running a government is not about political patronage. It is not about personalities. It is not about friendships and it is not about alliances. It is about good government. The people we are talking about in this department happen to be some of the finest human beings I have ever met in my life. It is not about what kind of people they are or what kind of citizens they are. It is about how do we run government more efficiently, more effectively and more accountable to the public. That is the decision that I am asking you to weigh in on as we go forward. I realize that these decisions are not going to be easy but let's talk about the process and you can examine models that exist, whether it is in Concord, Nashua or you can go across the country. This system is wrong and it is wrong for a variety of reasons and it has been wrong historically. The impartiality of members of the Board of Assessors is necessary due to the quasi-judicial nature of their duties in the abatement process. Actions by administrative agencies are quasi-judicial if the adjudicatory process provided by statute requires notification of the parties involved, hearings to discern whether an abatement request is appropriate based on the evidence that is presented. The Manchester Board of Assessors is required to act as a Board of Appeals on all abatement requests – as a Board. The taxpayer introduces evidence. I assert that this should be a public process. It should occur right here perhaps in the Aldermanic Chamber. As a citizen of this community, if I want to have an abatement on my property, I come in like I would to get a variance or a project before Planning, which are critical issues but we are talking about decisions that effect the tax base of the City. Shouldn't that be a public process? Isn't government about public processes? Why can that process be in effect in communities across our nation and across our state and not here in the City of Manchester? Public process is a good thing and it shouldn't result in an individual citizen coming in, meeting one assessor and I realize they would meet afterwards and decide whether it is an appropriate abatement but that is not public government and that is not good government. The proposal I am talking about is good government. Public government. The change

is necessary. The Manchester Board of Assessors, as I said, acts as a quasi-judicial board when it acts in the tax abatement process. The Board is required under City ordinance and City Charter to perform this function. The duty is quasi-judicial and taxpayers have a right to an impartial and unprejudiced Board. The duties of the Board of Assessors, however, require the formation of an opinion before the matter is considered by the Board. Each member brings this bias and prejudice to the entire Board and its individual members. The duties of each member clearly require disqualification, I would assert, into the tax abatement process. The Board of Mayor and Aldermen, having the authority to reorganize the Board of Assessors, should rectify this problem as soon as possible. Immediately if we could. Each taxpayer is entitled to unbiased and unprejudiced treatment that only a Board separate from the assessing department can deliver. Since the Board of Aldermen have the authority, they are also obliged to correct this problem. We have spent some time studying the issue and with the help of Human Resources we have put together the beginning of a plan. We realize as time goes on that we will have to add additional appraisers to the process. They do not have to be people making \$75,000 and \$80,000 a year. I don't think that is appropriate. It is not appropriate to spend \$250,000 on administrative services for a department. We could be hiring appraisers in the range of \$32,000 to \$40,000. We have to add more people to meet our obligations to insure that the valuations of the properties are kept current and it must be an ongoing process and a daily process. The system that you have now is broken. It is not working. It is not a public process and it has become too expensive at a time when we are going to be faced with significant and in some cases unparalleled fiscal challenges ahead. We are in very difficult financial times but even if we were not, this proposal would be the right thing to do because we are under new requirements to keep the valuation of properties current by law. We cannot accomplish it with the present staff you have in that department. The only choice that you have if you don't accept my proposal is to add more positions. That would be very costly. Or you could minimize your administrative costs, have a department head in charge, do a study in terms of exactly what that position should pay. This is not about hurting the individuals who are presently employed there. I realize we are in government and we need to take that into consideration. I think there are ways to deal with that but we need more appraisers. We do not need three assessors and we certainly no longer and perhaps have we never needed three time members of the Board of Assessors. The plan that we put together is not the end but I believe we need to bring professionalism into that department. We need to make some changes that are in the best interest of the taxpayers, that are affordable and at the end result we are going to be protecting our most important asset as we determine how we are going to figure out how to pay the cost of government, increase services for increasing population, demands that are increasing every single day, the financial challenges that I put before you. We can do it if we roll up our sleeves, push the personalities and the politics aside, get it out of this process, look at proposals that

make sense, make some bold decisions and move forward. That is what it is all about and those who are going to advocate for a full-time Board of Assessors in addition to adding positions I am going to say to you show me the money because it is not there and we are not going to meet these obligations if we continue to say no to proposals that make sense and perhaps save some cents too. That is what we have got to do. Tough decisions. Tough times. Let's make them. We are going to be talking about other proposals going forward that also make an awful lot of sense that aren't out to hurt people but to provide better government to the citizens. Mr. Chairman, I thank you for the opportunity to make my presentation and I stand ready to answer any questions that I am able to at this time about the structure that has been established.

Chairman Lopez asked does the Committee want to ask questions now or have the presentation by the department head and ask questions later.

Alderman Shea asked, Mayor, could you break down your proposed assessor structure...that is to say what the director and the other people would be doing.

Mayor Baines replied basically you would have a Director of the Assessor's Office such as you have a Director of any department.

Alderman Shea asked and his role would be what.

Mayor Baines answered to oversee the department, to manage the affairs of the department and to insure that the process of dealing with the valuation of property and the processing of abatements was handled in a very efficient manner.

Alderman Shea asked in other words would he work together with the Board of Assessors. Is that what you are saying?

Mayor Baines replied the Board of Assessors would be similar to your Planning Board or Zoning Board. There would be five citizens, I would recommend, appointed by the Mayor and confirmed by the Aldermen for three year terms who would serve in the terms as volunteers from the community that would sit in public forum like tonight and I as a citizen would come in and I would present my evidence as to why I should have an abatement.

Alderman Shea asked what role would the Director play in that.

Mayor Baines replied he would make recommendations to the part-time Board of Assessors as the Planning Director and staff makes recommendations to the Planning Board.

Alderman Shea asked now you have an appraiser here for residential and one for commercial and a technician. Could you define that in terms of how that would be implemented?

Mayor Baines asked, Ginny, do you want to talk about that.

Chairman Lopez stated this is why I wanted to have the department head talk because we are going to have a cross dialogue here and we are going to ask the same questions over and over so if we hear both...

Mayor Baines interjected it was really just to explain our proposal. We would have a residential appraiser and a commercial appraiser but I am also telling you that we are going to have to add positions as this program grows but I don't want to grow or establish a bureaucracy right at the beginning. I want to bring the right people in and grow that staff to the appropriate level to accomplish what we need to do on the five-year cycle for the property to comply with state regulations. This would be the support staff to get the department up and running.

Chairman Lopez stated so we will hear from the department head now. I want to compliment you, Steve, on providing us a lot of good information to read and help us understand the Assessor's Office a little bit better.

Mr. Steve Tellier stated I am going to carry you through the packet and then go over the slide presentation. Ladies and gentlemen of the Board, thank you for the opportunity to address you tonight. In the packet that you received a number of days ago, there is a letter of introduction. I think I made my position and that of my colleague clear in what we feel are the advantages of a full-time Board but the product we have submitted to you tonight and what we have made every attempt to do is be informative, unbiased and factual. With that being said, I will take you to Section 1. That is our present organizational chart and the page after that in Section 1 is our present salary schedule. I will refer back to this section later on in the demonstration. In Section 2, 3 and 4 are articles that were penned in the most recent *Town & City* magazine that really regard the critical nature of what the State is going through as far as certification. Statewide property tax is being asked to do something that it was never designed to do and that is fund education. Therefore, as a result of that proportionality and arguments of equity have a real bearing on every community and inter-community at this point. I am not going to re-read these articles. I would ask you to look at them on your own and if you have any questions I will be able to talk about it. In Section 5 are the Assessing Standards Board rules that are coming up. Now there are some initial rules in the very beginning of this that are tenants or deal breakers as the case may be. That being that if a certain municipality does not comply with those, you are found in non-compliance. The most visible is that assessments must reflect between 90%

and 110% of value with a COD no greater than 20. There are a great deal of other criteria being talked about that are accuracy...review of exemptions, abatements, Veteran's credit, all of that. These are all in these 500 rules. These 500 rules are a little bit fluid right now in as much as the basic outline is what is being submitted to the Legislature but there is still some tweaking going on. In Section 6 are the changes to the RSA's and statutes, primarily RSA 21-J:11-a and RSA 75 Sections 1-8. I will now proceed to the slide presentation. For your benefit, an index was provided in the early part of it so that you could refer back and forth and not flip through the pages. On one important point I will certainly agree with the Mayor's presentation in as much as fairness and equity is critical in this process. The integrity must be kept. Here is our vision statement as far as offering our customers first-class benefits and using current technologies, personal attention and professional attention in addition to the constant employment of continual improvements. The mission statement is self-explanatory as well. Before we get to the rest of this I would like to outline for you...what I have attempted to do here is state where we were, what happened, how did we get here and where do we go from here. We are all familiar with the Claremont II decision, the small towns that were underfunded got a decision by the Supreme Court that the State's responsibility was to meet that minimum standard. They didn't identify that minimum standard but they remanded it back to the State to fulfill it. The Governor came up with her ABC plan that was not accepted. It did not pass the Supreme Court purview from what I understand. Subsequent to that, Chapter 117, in April 1999, which as we know it is the State education property tax. Right after that was the Coalition lawsuit in January 2001. Judge Galway rendered a decision that stated that the State was on the hook for \$880 million. That got the Supreme Court and the State's attention. The Governor established her property tax force and subsequent to that time was a NH Supreme Court ruling on May 3, 2001. Resulting legislation changes to RSA 75, Section 1-8 and changes in RSA 21-J and many other sections in the form of the legislation of Senate Bill 193 and House Bill 170. What is critical here, ladies and gentlemen, is that previous assumptions are no longer valid. That 10-year time frame that was assumed to be appropriate, maintenance of old databases, all of those assumptions are gone. In as much as additional certification criteria must be met at this time. How did we get here? The Legislature enacted that property tax process that we believe, if complied with, would satisfy all of the articles required. They continue to require that taxable property be assessed at its true and full value in money. It requires local assessors and selectmen annually to examine and reappraise everything that has changed in value and the Legislature granted the NH Department of Revenue Administration the authority to monitor, supervise and insure compliance with all applicable statutes. Evidence at the last trial showed that some of the communities were not complying with equitability standards and the adopted legislative provisions now have the enforcement provisions that we will talk about later. The State must implement appropriate enforcement measures as part of proportionality

and equity throughout the State. This was the previous law, RSA 75:8. It was rather vague and dated and it used to provide, curiously enough, the productivity of fields and livestock as far as assessing for value. This is the new law, which has been tightened up to show the valuation process for real property at its true and full market value. I would like to call your attention that the assessors or selectmen, in their inclusion of the inventory for that municipality it all must be sworn in in accordance with this law. These are the five important changes that have occurred as part of RSA 21-J:11. That the Assessors and Selectmen shall consider adjusting assessments for any properties that they know have had or believe to have had a material change, change in ownership and by the way we have 3,600 changes in ownership every year here in Manchester. That is 3,600. Any properties that have undergone zoning changes, have undergone changes to exemptions, changes or abatements, have undergone subdivisions, boundary lines, lot line adjustments, mergers and that type of thing and the all inclusive at the end – have undergone other changes affecting value. These are all new statutory duties. New statutory duties. This is the oath that has been revised and this is under penalty of perjury. In the establishment of the standard and the five-year requirement, the Legislature provided for the creation of the Assessing Standards Board and the creation of the State Equalization Standards Board. In the five-year requirement, this was the first time it was ever addressed by the court. The impact is on all levels. It does not require physical inspection to meet that test. That was something that was attested to in the court decision, however, data accuracy was addressed in that court decision as well and it is clear to say that physical inspection or a cycle of inspection is going to be critical to the accuracy of the values. It is very important and that the five year requirement must bring values to market value. Again, what the Assessing Standards Board has provided for market value is that assessments meet 90% to 110% of value. Other changes to the RSA's with respect to open space, current use land, discretionary easements, residential properties that are in a commercial or industrial zone, and excavation properties have been tightened up and revamped as well. On the program statement, at least as often as every fifth year beginning with the first year of the Commissioner of the Department of Revenue Administration certifies a municipality's assessments and according to RSA 21-J:3, XXVI, the assessors or selectmen shall revalue all real estate within the municipality so that we are in accordance with RSA 75:1. These are shalls and these requirements must be met. The Commissioner shall revalue municipalities once within every five years to certify the assessments, that they are in accordance with RSA 75:1 and other statutory rules and standards that are going to be in place. This, ladies and gentlemen, is not open for negotiation. The Department of Revenue Commissioner has strict guidelines for compliance, mathematical statistics to measure that compliance and enforcement measures for those communities that do not comply. These are the certification standards, the five primary ones that the level of assessment and uniformity of assessments are within acceptable ranges –

that being already identified as 90% to 110% of value and considering where appropriate an assessment to sales ratio study conducted by the departments of the municipality to make sure that is in compliance. All assessment practices must substantially comply with all applicable statutes and rules. The exemptions, credit and abatement procedures substantially comply with applicable statutes and rules. Assessments are based on reasonably accurate data and that the assessments of various types of property are proportional to other types. That meaning residential properties are assessed in the same fashion and with the same proportionality as commercial/industrial or vacant land. When certification standards are not met and this is locked into State statute as we speak, corrective steps shall be established in writing. If a community agrees to complete those corrective actions then there is no further action and the community is left to remedy the situation. If a community disagrees with the action, the Department of Revenue submits the non-compliance of the community to the Board of Tax and Land Appeals, an expedited hearing is held and the non-compliance or the municipality found in non-compliance is ordered to undergo an update or revaluation by the Board of Tax and Land Appeals. The certification process. Why? There was a need for a system that would provide the State oversight that the court demanded. Certification provides that framework for measuring when the five-year Constitutional requirement is met. The Legislation establishing the certification also contemplated a reasonable transition period. Why us? Why now? In early 2001 the categories were set that they were established to be by size and then ranked according to the date of their last revaluation. I do have a map here that I am going to ask Tom Nichols to pass around to you that shows the area districts and a color chart on when these must be done. These were set in early 2001. At the time the Department of Revenue Administration was not fully sure whether the City would implement the 2001 revaluation. Our last accepted revaluation was in 1991 so it had been 10 full years. It was also adjusted for cooperative school districts and adjusted for balancing the workload between different areas of the State. There are only so many accepted authorized revaluation firms out there. So as not to overload the workforce with traveling time, they tried to sort them in area districts. What do we need to do? Critical issues that are facing the City of Manchester. In evaluating where we are now, options are in-house cyclical valuation updates. In other words having the resources and having the appraisers out in the streets. Reducing the substantial shifts due to shorter valuation cycles, most likely going to every other year. It realizes all of your value sooner. Your base values remain equitable due to constant review; it reduces the overlay and establishes current and accurate data and values for taxpayers, customers and economic development needs. We could subcontract to a private firm where your base values remain static until your next scheduled update and a private firm leaves the municipality with the extra work of clean-up. Any errors that are left behind, any opinions of value are difficult for the community to deal with. Again, full inspections occur only at one time unless the municipality has a program in

place to get people onto the street. Another option is the blending. That is to have some tasks done here by the City and some tasks done by the revaluation. For example, the community could qualify all of the sales and do the data collection and a professional firm could come in possibly and establish the tables, set-up initial values, do the field review and assist with the hearings. That would be one of many different alternatives. In implementing a plan of action, this would include the plan complying with the NH DRA certification of values. It must include funding and resources. The objectives. In an in-house revaluation we would have to determine and outline the resources necessary to carry out our future in-house contractual revaluation updates. We would establish current property values in a shorter timeframe resulting in a fair distribution of equity. We would keep assessments at or near 100% of market value and it preserves the critical data at the most current levels. Measurements and achievements of that are easily established with statistical analysis that the NH Department of Revenue handles every day. In your packet I have an organization chart. This is an expanded version of what we already have. The positions in purple are our current complement, although two of those positions are vacant at present. The four pink positions, two appraisers and a data collector along with another dedicated administrative assistant to handle the significant influx of additional paperwork that the field appraisers are bringing in to the office. This was something that I changed this afternoon. It is a little different than what is in your packet but it shows Manchester and Nashua. Manchester being in purple and Nashua being in green. Last year we had a complement of seven. This year we are down to five. At that time Nashua had 11 and they are up to a staff of 12. Options. Our service needs and resources necessary to comply with this certification of values in 2004 and compelled by the Supreme Court decision and other legislative statutes and duties, these are our options. It really comes down to four. Fund the positions keeping local control, subcontract to a private company, some blend of options 1 or 2 above, or chose to do nothing forcing the DRA to submit non-compliance to the Board of Tax and Land Appeals with the likely result being an ordered revaluation updated contracted by the DRA with all expenses included in the next municipal tax rate for payment. These statutory provisions are law now. The lack of funding – if proposed funding shortfall is significant, lack of necessary staffing may prevent City and State requirements being met, possible forced revaluation in 2005 resulting in loss of control and a higher tax rate and possible lay-offs and statutory assessing duties and responsibilities will be negatively affected. Here in your handout is somewhat of a departmental overview regarding the administrative and appraisal sides of the operation. On the administrative side, remembering that this is the first impact to either taxpayer, citizen or developer that comes into our office looking for critical data about a property site or background information. It is the first line for processing public inquiries, abatement requests and other written and oral appeals or requests for information. On the revaluation side, the annual assessment of all property requires the

collection of vast amounts of data. It is referred to as the mass appraisal process, which is made up of three disciplines. That being property appraisal, applied statistics and management information systems. Under the appraisal process, the revaluation function involves the following: the determination of need and decision to conduct a revaluation; development of appraisal schedules for market analysis; data collection and recollection for further statistical analysis; additional analysis of both current and proposed assessment schedules (old values/new values); the evaluation of the accuracy of the new schedules to assure tax equity and the generation and commitment for collection of new assessment values for the final appraisal schedules ultimately resulting in the issuance of the tax warrant and the review of abatement requests. The end product each year is a timely and accurate commitment of assessed values for all properties in compliance with the statutory requirements relating to the assessment for taxation as well as standards and reporting requirements for the NH DRA. Finally in summary, with the required resources the Board of Assessors will optimize its potential to provide the first-class service that has been required from Day 1 in fulfillment of its new statutory standards. Ladies and gentlemen, we do take our obligations and requirements and statutory obligations very seriously. There is a lot at stake here. As the Mayor indicated, there will be a need for additional resources, that being either in-house appraisal staff or in the form of funding to hire a private assessing firm to fulfill our statutory obligations. Myself and my colleagues are available to answer any questions. What I would like to do is I just have a couple of other portions left in the packet. In Section 8 is the revised schedule using the present salary schedule and with the additional positions that would be required to do the job in-house. The salary difference is approximately \$140,000. In Section 9 is a request for information by a major private assessing firm called Vision Appraisal Systems. They have indicated an early estimate of \$700,000. That does not include the per diem of defensive values. In Section 10 is a request for information from Cole, Layer, Trumble, the firm that recently performed the revaluation in 2001. Their estimate was \$815,000. In Section 11 I submitted a task list. The hardest part in informing people about the difficulty in this task is dispelling the rumor that assessments change with the press of a button. What is submitted here on this task list is a very brief analogy of all the tasks that are required. The analysis of income and expense information and market data, sales and qualification of sales. That is all in here. Last because I believe it is the most pertinent, we took a survey in most of the larger New England communities and what we tried to do is bring this down into units of comparison. The municipality, population count, parcel count, taxable value, staff count and parcels per staff. What I would like to bring your attention to primarily is that this was not meant to mislead but to inform. We have the Board of Assessor structure in all of those communities whether they be full-time or part-time Board or a combination Board. Also whether their revaluations were performed in-house or subcontracted. What I would like to draw your attention to is Column 1 for the City of Manchester. We

are down to five people ladies and gentlemen. If you divide five people into 32,000 that means the parcels per staff of our current administration is 6,400 parcels. If you look across that row, the average is between 2,200 and 2,800 per person. Now I dare say that all of these other communities that we have heard time and again are attending to the same degree of resource restrictions. I don't believe in a heartbeat that there is a great deal of fluff in most of these other communities. The task is only getting more difficult and if nothing else I would urge members of this committee to at least encourage the filling of the customer service rep position. Quite frankly we are at a point right now where the one customer service rep that we have, should she take ill for any reason, I don't know what we would do. Ladies and gentlemen, that concludes my presentation at this time and I welcome an opportunity to answer any of your questions.

Chairman Lopez stated looking over the information, I concur with you that we do need some help down in the Assessor's Office and that is why it is so essential that we make the decision as to the direction that we want the City of Manchester to go in whether it be the three full-time Assessors as has been outlined by you or in the Mayor's direction. I believe that all of the information that both parties have given us was substantial. I know I spent about four hours reading it and making notes and in my opinion it boiled down to the philosophy of do we keep going in the same direction or can we do things better. You did indicate that it would cost us \$700,000. Is that a one time \$700,000 or in future years can we expect an increase in private firms coming in and going through the chaos that we did with the last private firm?

Mr. Tellier replied yes and yes. Yes you can expect the price to go up because due to supply and demand now that the State is undergoing a cycle of revaluation for all communities it is likely that the supply for services will become much greater and yes it will be difficult to get those services. A city the size of Manchester must contract ahead of time. One of the benefits we had in the last revaluation is we scheduled it almost two years in advance. The going rate at the time was \$50-\$55 a parcel but because of Manchester's unique status as one of the largest communities in the region and the fact that it is the largest community in the State we were able to parlay that into \$45/parcel. The average rate right now is between \$20-\$25 per parcel predominantly in the \$22 range so we are talking about \$660,000 or \$700,000 but that does not include defensive values. Defensive values are a costly endeavor. In the first estimate that we had, it was \$500,000 to \$600,000 per diem.

Chairman Lopez stated let me just go back. Could you give us a little history if you would...in the past 30 years we have had two revaluations? One was 22 years ago and the other one was 10 years ago?

Mr. Tellier replied 1971, 1991 and 2001.

Chairman Lopez stated you indicate that there are 3,200 parcels that are adjusted every year.

Mr. Tellier replied 32,000 parcels.

Chairman Lopez asked those are adjusted every year on what basis.

Mr. Tellier answered no. Clearly the magnitude of a job like that...I don't believe at this early juncture that we could do it every year. It may be the case that we do them annually but I know of several communities, even Nashua, which has a staff of 12, is not doing it every year. They are doing it every other year and they went through a three-year timeframe as well.

Chairman Lopez asked can you explain a little bit about the five years again. We just got through a revaluation that cost us \$1.2 million or somewhere around there...

Mr. Tellier interjected \$1.375 million.

Chairman Lopez asked explain this every five years. If we just completed a revaluation all of our records should be up-to-date and if we had X number of people we should be able to continue to follow right along. Nobody is doubting that you need some people. Why isn't there a provision that we are...and I believe you sit on the Board at the State level so why wasn't a request or could a request be submitted to change the provisions and allow us to go to the five year period instead of being rushed into 2004?

Mr. Tellier replied at the time in 2001 the Assessing Standard Board hadn't been established and I wasn't part of it then. Regarding a request to change our certification year, several requests in the early part of that defined list had been received by the NH Department of Revenue Administration and had all been refused summarily. They have not negotiated with anyone on that timeframe. I would encourage either members of this Committee or...don't take my word for it. Possibly someone from the Solicitor's Office or the City Clerk could check on that as well. The fact is that there has not been one instance granted where the certification year was changed for a community.

Chairman Lopez asked even if they had a revaluation.

Mr. Tellier replied even if they had a revaluation. It just meant that the cost to bring them up to speed to certify would likely be less.

Chairman Lopez asked what would your answer be to the philosophy out there that you are judge and jury over the taxpayer. You set the rate. I come in for an abatement and you either give it to me or don't give it to me. The Assessors are judge and jury if you follow my question.

Mr. Tellier replied I don't quite see it that way. I see values as never being quite set in stone and that there is always an opportunity for further dialogue or an opportunity for a taxpayer owner or taxpayer representative to bring in additional information that may either further corroborate an opinion of value or bring up instances that would be contrary to the present value and would contribute to a new opinion of value so I don't quite agree with that.

Alderman Shea stated if I were to ask you what is the most significant aspect of your department...why does your department exist, the chief reason why, what would you say.

Mr. Tellier replied to propagate fairness and equity in the tax process.

Alderman Shea asked now what is the...in other words Alderman Lopez spent a lot of time talking about revaluation and is that really an important aspect of your department. In other words, for so many years of course we had no revaluation and the Assessors were there plus whoever else. Taking that particular aspect of your situation out, what is the function then...what happens in the interim between that large process with all the data and statistics and so forth. What happens in the office? How does the office function and so forth?

Mr. Tellier answered in previous years, Alderman, what the Board of Assessors having only three appraisers there, their primary functions were to promote equity and fairness amongst a static timeframe – when the values were set whether it was in 1971, 1991 or 2001. The fact is that that is a static or fixed date in time that everyone is being adjusted to. The ratio that is alluded to in some of my comments, what that does is it represents the dynamics of the market. For example, the ratio that we are going to have in Manchester for 2002 I will be thrilled to death if it stays in the 70's, 70%. What happens is in an appreciating market you take the assessment and you divide by the sale price and in an appreciating market that percentage that is rendered is less than 100%. In a depreciating market, if you took the sale price and it was not as high as the assessment, then it would be over 100%, which was what happened from 1991 through 1993 or so. What we were doing, to answer your question, is having a three member Board of Assessors...they were the three appraisers as well and they were maintaining the proportionality between classes of properties, which still must be maintained even today. Even when we certify in 2004, there are

proportional standards that are being established for, in Manchester's particular case, 2005, 2006, 2007. In those intervening years, proportionality must be maintained as well. If a particular class of property gets out of line or appreciates faster than another class of property, then measures have to be taken into consideration to look at the values of that particular class of property.

Alderman Shea asked so that is how the time was spent.

Mr. Tellier answered that is correct and will continue to be spent.

Alderman Shea stated you kind of lost me halfway through the explanation but that is all right.

Mr. Tellier responded if I keep it simple... we have three main what is called strata or class of property. There is residential, non-residential and vacant and then there are sub headings under all of them. They have to be fair.

Alderman Shea stated your proposal has strengths and obviously weaknesses. Would you explain what the strengths of your particular reorganization or proposal might be in terms of how much it is going to cost the people in the community, that is to say what the expense will be to run the department and how much more it will be in terms of efficiency in comparing it to the Mayor's outline or the Mayor's proposal.

Mr. Tellier replied in a City of this magnitude and in all of the other communities that we surveyed, you found a director and then at least one or two senior appraisal staff and then there were some additional appraisal staff and administrative staff. In keeping a full time Board irregardless of the salaries that the Mayor and Board of Aldermen ultimately decide to set depending on what their final decision is, the benefit of having some senior appraisal staff is that they are intimately familiar with all of the different neighborhoods...

Alderman Shea interjected could you just say this is where our situation is different without going into half an hour...in other words what I am asking you is his program is going to cost whatever - \$353,013. Could you tell me what your particular program would cost? That would be one way of measuring.

Mr. Tellier stated what I do have is a corrected salary structure here that I would like to pass out. The difference is \$22,000 comparing apples to apples.

Chairman Lopez asked have these figures been verified by the HR Director.

Mr. Tellier answered no.

Ms. Lamberton stated what Steve has done is in the Mayor's budget it states what is budgeted because when the budget was being done Paul Porter was an employee. He has vacated his position recently but those funds are still appropriated at that level to support Mr. Porter's salary, which is in the Mayor's budget or current level of funding basically. What Steve has done is reduced that particular line to the minimum of a labor grade 26. That is all he has done is simply said Paul Porter doesn't exist anymore so therefore that salary doesn't exist. That is true. We are not paying that out but in fact the funds are appropriated at that level.

Alderman Shea stated this only has seven people according to the current structure and it would be \$375,000 but the one you are proposing has eleven people isn't that correct.

Mr. Tellier replied that is correct and at this point I don't have anything to compare to with the Mayor. The only thing I can compare to, Alderman, is the difference between the present structure and the additional four positions and that is a salary amount of \$140,000 and the two requests for proposals that we have from the private firms. One was for \$700,000 and the other was for...

Alderman Shea interjected don't go into that. What I am saying is in order to implement what you are saying you want eleven employees and you don't know what it is going to cost but you have a ballpark figure of approximately \$144,000 more than this \$375,000 is that correct?

Mr. Tellier replied that is correct.

Alderman Shea asked so if we were to add by ballpark figures \$144,000 to this it would come out to say...

Mr. Tellier interjected if you go to Section 8, that number is articulated for you.

Alderman Shea responded well it is but it isn't because there is a \$62,000...you have salary low range is that what you have. I am a little bit confused here because you did indicate that there might be some adjustments so you have \$449,000 is that what it is? \$357,000?

Mr. Tellier replied \$375,000 plus the additional four positions. I think if you match them to the salary schedule that I have in Section 8 you will find that they match up.

Alderman Shea asked is that \$512,000.

Mr. Tellier answered yes.

Alderman Shea stated so that is really what you are saying. The difference between what he has proposed is \$353,000 and what you are proposing is \$512,000 correct? Your proposal is \$512,000 and his is \$353,000.

Mr. Tellier replied no that is not what I am saying. What I am saying is that in the balance sheet that I just submitted with the present structure, it is \$375,000 and what the Mayor's proposal is not addressing is the certification issues. I don't believe...I shouldn't speak for him but I don't believe he is addressing the additional resources that would be required.

Alderman Shea responded I realize that, Steve. In other words, when you propose your 11 people what you are saying in essence is we probably won't have to hire anyone to do the appraisals. That is what I am trying to get at. That cost is \$512,000 or almost \$513,000 but we will not have to hire people for \$700,000 in order to do a revaluation in the Year 2004. That is what you are saying?

Mr. Tellier replied yes.

Alderman Shea stated that is what I am trying to get at. So the Mayor's proposal does not address that but he indicated that as the time approaches for certification there would be the need to add additional people to your staff. What I am asking you is in getting back to my original question while the revaluation has not taken place for 10 or 20 years and will not take place until 2004 will you need additional people in order to conduct a revaluation before one is required?

Mr. Tellier responded yes and the reason for that, Alderman, is whether we contract out or we provide the services in-house the analysis has to be done before the implementation of the values. In other words, all of the sales out there have to be analyzed. Income and expense information has to be garnered from the commercial and industrial properties.

Alderman Shea asked when does that have to be done, Steve. In 2003?

Mr. Tellier answered that is correct.

Mayor Baines stated just for clarification, I think you are getting at the heart of the issue here because when Mr. Tellier presented his budget it was with the present complement plus an additional four people that I rejected and came to the Aldermen with and said we can't do that. We couldn't afford to add four additional positions with the current structure of the department. We can't do it.

We don't have the money to do it and that would have added, I think, approximately \$180,000 to your budget over what it is over the past year going forward. The issue that you need to look at, Alderman, very closely and if you just did the Manchester/Nashua comparison, approximately 47% of the cost of running our Assessors Department has gone to administrative salaries. In Nashua it is 13% and we have no accountability because no one person is responsible. You also get the issue of, and you know I want to correct myself because quasi-judicial may have been inappropriate in terms of the legal definition of quasi-judicial. I was thinking in terms that you are acting like a jury when you are the Board of Assessors and rendering a decision so quasi-judicial may not have been appropriate but what you are talking about is judge and jury. That is exactly what you are talking about. The system that we proposed...reducing administrative costs from \$250,000 so that you can hire additional people to do the work that Mr. Tellier just talked about. He presented a great argument why you should adopt the plan that we put forward. We need more people doing appraisals and what Alderman Shea said is correct. We need to restructure the department, bring some people in that can really steer us in the right direction and make some decisions about how we meet this obligation. Correct, we need to meet the obligation. We don't need to get an outside firm in. You paid them X number of dollars per parcel and I think we paid them too much in terms of the end result but the bottom line is we can do it in-house. We can do it more efficiently and we can have a system that is accountable so never again will we have a situation like we dealt with this past summer when you had three people sitting around and nobody was responsible, ultimately. One person, a department head, should be responsible. It is the way we structure every other department in the City. That is what I am asking for.

Alderman DeVries stated to start off can you tell us, four appraisers, how many parcels can an individual appraiser handle. There is probably a difference between residential and commercial but there must be a standard that you divided by on a yearly basis.

Mr. Tellier replied it is different depending on what the job is that you are doing. If you are qualifying sales, you can do anywhere between eight and twenty-three a day. That is taking a copy of the card and going out in the field and verifying the information.

Alderman DeVries asked why don't you give me annual numbers. There must be a way that you figured out how much staff you would need to go forth with the certification, which would be on a five-year cycle.

Mr. Tellier answered I think the best indicator, Alderman...Massachusetts for example has been in a triennial cycle since 1979 and the survey that I gave you

will show a distinct disparity between those communities that do in-house appraisal work and those that subcontract. You will find that those who did in-house appraisal work, I believe, average between 2,200 to 2,400 parcels per person and those that are subcontracting are much higher.

Alderman DeVries replied well let's follow-up on that. Let's take a look at Cambridge, MA then as far as your comparisons, which is a larger tax base being at \$10 billion but 100,000 population-wise. That is an in-house. Parcel count is substantially less?

Mr. Tellier responded yes.

Alderman DeVries asked so if we look at the way Cambridge is handling it, they have the part-time board, they have a director and then they have many individuals underneath who are handling it. It looks like about 8 appraisers.

Mr. Tellier stated Cambridge being a suburb of Boston is somewhat unique.

Alderman DeVries asked so within Cambridge's example who there would be doing the analysis of sales. Are we looking at Assistant Assessors?

Mr. Tellier answered yes.

Alderman DeVries asked so it takes three Assistant Assessors and is that all that you believe they might be doing.

Mr. Tellier answered no they are also doing the qualification of sales and pick-up of new construction. They are doing abatement review and all of the tasks that are involved like responding to constituency concerns. I suspect an even better example would be...let's take Brockton, MA that was used in the Mayor's budget message. At 95,000 population and 26,500 parcels they have a full-time Board of Assessors and they do it in-house. They have 11 people, which comes out to 2,400 parcels per person.

Alderman DeVries stated some of those staff are clerical.

Mr. Tellier replied yes. I have included the entire staff because the administrative side is part and parcel of the appraisal side. It is all one entire operation.

Alderman DeVries responded you are still not hitting on what I am after. When you make a determination of staff, is there a number in your head for the amount of parcels that each individual assessor or appraiser can handle in order for us to get into the five year cycle to meet our State certification?

Mr. Tellier replied when I came up with my opinion of a staff of 11 to do this job, that was looking at similar communities, the task lists, timeframe and what I believe an educated in-house staff would be able to provide. We have a lot of areas of the City that are homogenous. We have other areas that are diverse. Every community is somewhat different. Do I have a round figure for each person? At this time, no I don't. Is it something that can be attained? I am not sure. I will make every effort to do so.

Alderman DeVries stated well let's move on to another question because I am not making progress with that. When you talked about the State certification standards, you talked about corrective measures.

Mr. Tellier replied yes.

Alderman DeVries asked have they defined the corrective measures or can you give us some direction as to what we might see if in 2004 we are not meeting...

Mr. Tellier interjected corrective measures for Manchester because we just came out of a revaluation would not include the need for data collection because our data is reasonably accurate already. They would include, however, review of approximately 2,000+ sales and income and expense analysis. It would require the structure of schedules and tables, the creation of new values, the field review of 32,000 parcels for the new values and quite likely I would recommend in the initial round a set of hearings the first time out.

Alderman DeVries responded let me back you up. You are saying that we need field review but no data collection.

Mr. Tellier replied correct.

Alderman DeVries stated you are confusing me there. What is the difference between data collection and...

Mr. Tellier interjected field review is what we would do is take all of the ranches, all of the capes and break them down into...sort them by criteria and then find out what is the median, what is the average in Manchester. From there you would find out what is below average and what is above average. Then we set those schedules. We would create all new values. New cards would be printed and the appraisers would go out into the field with 125 to 200 new cards a day to scan through those values.

Alderman DeVries asked for us to meet those corrective measures based on the fact that we had a current revaluation, what sort of staff will you need in 2005 because we would not meet certification in 2004 right but they would look for us the following year to be able to comply with their corrective measures I would assume.

Mr. Tellier answered I am assuming if...

Alderman DeVries interjected if that is not four additional staff members, is it two.

Mr. Tellier replied my assumption, Alderman, is that once we get into a cycle of revaluation we would be creating new values every other year. This would be self-perpetuating. It would continue. We would set new values every other year.

Alderman DeVries stated my point of following that up with you is I believe if I heard the Mayor's presentation of his budget he was acknowledging that the staff he was delineating would not be adequate for the yearly or biannual or whatever revaluation – the entire revaluation but it was a step in the direction of working towards that. I am trying to find out from you with your knowledge base the proposal that he has would be two additional staff people – one commercial, one residential...three because there is an assistant in there. Is that going to be sufficient staff in 2005 for us to meet corrective measures and that would give us the opportunity in future budget times to add additional staff to be able to get on to the cycle that we wish to be in for full in-house evaluations?

Mr. Tellier replied no it would not and I will explain why. You would need additional appraisal staff to qualify all of the sales and to start to structure all of your new values. Then you need the additional appraisal staff to go out into the field and verify that the values that have been created are proportional, accurate and appropriate. There are a great many tasks that need to be done that we don't have the staff for.

Alderman DeVries responded so what you are saying is even with the three additional staff members you would not have the ability without doing some sort of a blended appraisal – a blending of contract and in-house...

Mr. Tellier interjected I think I misunderstood you, Alderman. With the additional three or four staff we could do it in-house. With the seven or eight, whether it is the seven present complement that we have or the eight that the Mayor is proposing, we could not fulfill those extra measures that are required.

Chairman Lopez stated I would just like to jump in. One thing that I wanted to make sure that I understood was the Cambridge, MA scenario. They have a

population of 100,000 but they are at \$10 billion versus our \$5.1 billion and Brockton is only \$4.34 billion. One of the things that we don't know here is the tax rate, whether it is 100% evaluation. I am just making a comment but if you want to add that you know that information, that is fine too. The most important thing I wanted to say is the higher you go in net valuation...if you come to \$10 billion in the City of Manchester and we have to put in 12 or 14 or 15 people in there to do the job then we are getting our monies worth. Would you agree to that?

Mr. Tellier replied the \$10 billion that you are noting on Cambridge is because of its proximity to Boston.

Chairman Lopez stated it doesn't make any difference. I am using your analysis here. Brockton, MA has \$4.34 billion and they have 11 people and we are at 5 but if we were to get to \$10 billion you would need 15 people and that is the only association that I am looking at. So if you got us up to \$7 billion we would give you 10, 11 or 12 people. I just wanted to bring that point up.

Alderman Thibault stated you said that the two companies that reevaluate, one came in with \$700,000 and the other \$815,000. How come it cost us \$1.3 million this time?

Mr. Tellier replied the \$1.375 million was because it was a full, what they call a scratch revaluation. They put a tape measure to every building because the last revaluation was 10 years before in 1991.

Alderman Thibault asked how do you assess non-buildable land. What criteria do you use for that?

Mr. Tellier answered comparable data, comparable sales. In other words a particular person who might have had a 50 x 100 lot that is unbuildable may sell it half and half to the abutters or to the abutting one on the other side of the street. It could be anything but it is all comparable sales.

Alderman Thibault asked if you did get five more people, which is what you were looking at right...

Mr. Tellier interjected four.

Alderman Thibault stated okay four. That would come up to roughly \$650,000 right?

Mr. Tellier replied no.

Alderman Thibault asked for five years I mean.

Mr. Tellier answered yes.

Alderman Thibault stated and that would still be quite a bit less than what we had to pay for getting a revaluation company to come in here. Also, on abatements, aren't you guided by the State laws as to how you can abate a property?

Mr. Tellier replied that is correct.

Alderman Thibault stated you have to be able to specifically say why you abated that property, right.

Mr. Tellier replied that is correct. To answer that a little bit more fully, all of you received a letter in response to some comments that were made or alleged to have been made by Kevin Clougherty. The fact is that we have given personal and attentive service to all of the constituents of Manchester. If it was the desire to have our Board meet at 4 PM on the first and third Thursday afternoon and take minutes...we have any number of ways...just like in reporting to this Board there is always a way to do things better and we are very open to doing that.

Alderman Thibault stated the one other thing that I have is I know of one this year that came back to you people because there was a mistake made on his property he felt. I guess he was assessed as having sewer and water and he had a well and a septic system. That is a mistake and the guy was right in saying there is something wrong here. A lot of these abatements are because they made mistakes in assessing those properties.

Mr. Tellier replied one of the benefits of doing a cycle of revaluation is...by the way when we did the revaluation in 2001 there was a change in the Department of Revenue Administration's what they call 600 rules. In previous years when a revaluation firm did the revaluation they went out with a blank piece of paper that only had the name and the size of the land that they were attempting to gain data on. What happened was if they were off, say there were two houses on one lot and they didn't know that, they may have been off by a house all the way down the street so what the goal of the DRA and the thrust of the professional association of the State was to encourage them to take the present data and go out and reduce the number of errors and not introduce new errors. What we are doing here in a cycle of revaluation is further reducing errors, further reducing what we would be exposed for as far as tax appeals and reduce the amount of our overlay. That is the benefit of a cyclical revaluation. Furthermore, what we are doing...another ancillary benefit is that we are picking up a lot of work or improvement that was

done without benefit of permit whether they put a porch on a deck that they had or they enclosed a deck. It could be any number of issues. This is all done without benefit of permit. The fact is yes we do have limited staff in all of our departments. If we have appraisers out in the street reviewing all of this on a regular level we are going to get all of this so much sooner.

Alderman Garrity stated Steve I am going to Section 8 in your packet and your proposal for 11 staff. I am going to ask the question again because I don't think it has been answered yet. With the complement of 11 staff are you going to be able to complete an in-house revaluation by 2005?

Mr. Tellier replied yes. There are provisions in the Assessing Standards Boards rules that if we have corrective measures in writing that have been accepted by the DRA then you are a year in arrears but the fact still is that you would meet that certification requirement. Yes, I believe we could meet that goal.

Alderman Garrity asked, Mayor, in your proposal you have a staff of eight. That won't meet the requirements for the...

Mayor Baines interjected I will make it very clear. What I am not interested in doing is, as I said in my opening remarks, is come in immediately and create a bureaucracy. I want it to grow appropriately once we have put the leadership and the direction in place in that department to add the appraisers that can do the work. They don't have to be at very high salaries. I think if you could allow me, Alderman, to make this very simple for you, to everybody because I think what you are getting is a lot of information that I think a lot of people are finding very confusing. We have a job to do. We have the ability to do it with a restructured and reorganized department that delivers better services to the citizens of Manchester. Let's do some simple math. If you take a salary of, let's say Paul Porter I think was making \$80,000+. You can eliminate that position and create perhaps two and a half positions with that money to do the work that Steve is talking about that needs to be done. You can take another salary, \$72,000, and create another two positions. Get rid of the administrative level, make it accountable and hire the people to do the job – the appraisers and clean up the process I have said from the public viewpoint with the part-time assessors. This is very, very simple. It accomplishes the task. It meets our responsibilities. It recaptures the value of property on a regular basis and I think with technology and everything that is out there today we can move to doing it on a yearly basis like they are doing it in Concord and other places across our region. This is simple. If you take the people out of it and take the history out of it, if you were saying create a new government, create a new structure of how we would accomplish...we have a goal to get to, how am I going to get to the goal. We have

given you a framework of getting to the goal, which is really nothing unique. It is a model as you go across.

Alderman Garrity asked, Mayor, on your proposal did you run any numbers at all to get to the complement of staff that we will need for the revaluation process.

Mayor Baines replied it depends on the analysis that you do with the salaries. I would ask Ginny to talk a little bit about the analysis she did in coming up with what the cost would be for an appraiser.

Ms. Lamberton stated I just did what I normally do. I took the duties and the level of responsibilities of the position and applied it to our point factor system and then applied it to other positions in the City and their level of responsibility, etc. and came up with those grades.

Alderman Garrity asked, Ginny, is \$41,000 going to get an appraiser or is it too low.

Ms. Lamberton answered we will find out.

Mayor Baines stated that is the market. That seems to be the salary range, I think, and again I would like to be 100% but I know there are communities in New Hampshire where they are starting some of these positions at \$32,000. In Nashua they are paying the head of their department \$68,000. It is really what the market demands and to be honest with you we are in a market right now with employment...I think if you advertise positions at the level with the qualifications you need I am sure you would have many applications. That may be actually too high.

Ms. Lamberton stated I did call other cities and I do have their salaries but when you are analyzing jobs you apply it to the system that you are working in and then you have 13 steps within a grade. The salaries that are here, \$41,000, is the minimum step of grade 20 or 21. If necessary, we could request to the Mayor to hire somebody at more than the minimum.

Alderman Forest stated, Steve, the Mayor has proposed a part-time Board of Assessors to function like the Planning Board. When someone files for an abatement, what is the process that you have to go through?

Mr. Tellier replied as I stated in the letter that was sent to you folks recently, an Assessor is assigned the task of initially reviewing the appraisal for content and factual data. At that point, all other data avenues are available to that Assessor as well to come up with what is an equitable solution. If the taxpayer or appellant or

tax representative wishes to be part of the process, they are always included and there is always...very often there are phone calls in between to certify instances or individual allegations or notes of fact to make sure that they are accurate or we need to find out more. The fact is that it is analyzed with respect to the position that the appellant is taking and then there are additional data elements in the form of market data or comparative data that is used to come up with the review appraisers opinion on what would be an equitable solution.

Alderman Forest asked would you as an individual accept or deny that abatement on your own.

Mr. Tellier answered never.

Alderman Forest stated it would be done by all of the Assessors.

Mr. Tellier replied all of the members of the Board.

Alderman Forest asked what is the amount of time that it would take to do this.

Mr. Tellier answered some could take as little as 20 minutes because it is an evident error. It could be a sketch error or a data entry error. In some of the high profile properties that are in the millions of dollars could take days and days.

Alderman Forest asked with this last revaluation somewhat of a disaster, how many abatements did you have or did the Board of Assessors have in all.

Mr. Tellier answered there were over 1,700.

Alderman Forest asked how many are left.

Mr. Tellier stated approximately 350 of those were applications for exemptions. We have 900 left. 600 are residential and 300 are non-residential. We have 271 Board of Tax and Land Appeals cases of which 260 of those are filed by one particular individual. We estimate that we will have approximately 30 Superior court cases. My understanding from the City Solicitor's Office is that there could still be a few coming in. That is an estimate at this early time.

Alderman Forest asked what is the difference between an Assessor and appraiser as far as the DRA is concerned.

Mr. Tellier answered I guess the best analogy that I can use is one that retired Assessor Paul Porter used and that is the Big A and the Little A. The Big A being the assessing functions, the ability to grant abatements, the ability to grant or deny

exemptions. The Little A being the appraisal functions. So, if you have a part-time Board they will have the sole discretion to grant or deny abatements. Now the benefit of that is you have some public involvement, however, the detriment would be based on the individuals involved. I heard it best put by one of the members of the part-time Board in Nashua. They didn't want to lower all of the condominiums because the hit to the tax base would have been substantial and the individual stated unequivocally how much heat do you think I am going to take for \$1,500 a year. Well the fact is it is the thing that had to be done and what happened was instead of dispensing the hit to the tax base over the entire tax base, there was a large cash settlement that had to be made when those appeals were finally heard at the Board of Tax and Land Appeals.

Mayor Baines stated I would like to make a brief comment to that. If you think of the decisions the Planning Board members have to make that impact the entire City...they are all volunteers and they don't get paid one cent. Look at the decisions the Zoning Board members make and the importance of those decisions to people all across the City. To think that you could not have a fair process by people just trying to do good work on behalf of the City and making tough decisions...Planning Boards and Zoning Boards make tough decisions without any pay. You would see that same kind of level of service come to the forefront with this kind of process. Don't sell the citizens short in terms of being fair, honest and forward with the people of this City. They do it time and time again day after day.

Alderman Forest stated with due respect, Mayor, I am only asking these questions because I haven't made up my mind what I am going to do yet.

Chairman Lopez stated just to make sure everybody understands, abatement and adjustments are two different things. Would you agree with that?

Mr. Tellier answered yes.

Chairman Lopez stated since the abatement aspect came up, everybody had an opportunity to go before the Board of Tax and Land Appeals, everybody who put in for an abatement. Is that correct?

Mr. Tellier replied yes they had that opportunity.

Chairman Lopez responded some elected not to.

Mr. Tellier replied that is correct.

Chairman Lopez stated so by law we had a certain period of time to do that but we are still handling it because we are the good guys.

Mr. Tellier replied that is correct.

Chairman Lopez stated this question is for the Solicitor. In reference to a part-time Board, I am trying to think...don't we have some Boards that have special qualifications such as the Health Advisory Board or whatever we have in the City and can't we put special qualifications on before we appoint a part-time Board of Assessors.

Solicitor Clark replied it all depends on what you come up with for the ordinance. If the ordinance details that you have to have certain qualifications to be appointed, you can do that.

Chairman Lopez asked are there any special qualifications that you think a part-time Board, if we were to go in that direction, would need.

Mr. Tellier answered I am sure that would be self-evident in the form of maybe their day time job is having some...

Chairman Lopez interjected I am not talking about the job but about the individual having any type of certification.

Mr. Tellier stated that is what I am talking about. Perhaps they have a background in construction, mortgage lending, or who knows. It could be any number of issues.

Chairman Lopez stated the point being that we could come up with that if we wanted to go in that direction. I want to go back to, I think it is Page 3 under 502.01 Standards of Achieved Certification. Because we had the revaluation...I want to look at Achieving Certification. Since we had a revaluation in the City of Manchester do you think that we would pass this inspection by the State? I look at this whole thing as an inspection as whether we are complying with State law. Do you agree with that?

Mr. Tellier replied I agree that it is a form of inspection, yes.

Chairman Lopez asked if they came down and inspected us because we just went through a complete revaluation and if we met the standards of A and E then we would be certified.

Mr. Tellier answered no.

Chairman Lopez asked am I reading it wrong.

Mr. Tellier answered yes. You would have to go back to Page 2 of 502.01 where we would not meet the 90% to 110% level of assessment.

Chairman Lopez asked at this present time we don't.

Mr. Tellier answered that is correct.

Chairman Lopez asked what are we at.

Mr. Tellier answered we were at 91% after October. At this point in time, it is not unrealistic to expect at least a 15% drop in that.

Chairman Lopez responded I am talking about right now.

Mr. Tellier stated I am talking about right now.

Chairman Lopez asked am I missing something. You said 91%...

Mr. Tellier interjected 91% in 2001, Alderman. We are in 2002.

Chairman Lopez asked where do you think we are.

Mr. Tellier answered somewhere in the mid to low 70's.

Chairman Lopez stated going on your assumption then that we are at that level, they would inspect us and say what.

Mr. Tellier replied that we are in non-compliance.

Chairman Lopez asked and then what.

Mr. Tellier answered then we would be required to submit corrective measures in writing.

Chairman Lopez asked in a period of time, right.

Mr. Tellier answered that is correct.

Chairman Lopez asked they would like to give you six months to comply.

Mr. Tellier answered I can't speak for the DRA. These are being established as we speak. I would suspect that it would be somewhere between 30 and 60 days at

which time a plan would be required to identify what the timeframe is to comply. In a City of this size, it would require a reasonable amount of time.

Chairman Lopez stated I understand that and I appreciate that. The point that I am making here is this draft is an inspection of the City and if you don't meet the requirement they are going to sort of say you are a bad guy, you have to do this and we want a plan on how you are going to complete this and if they accept your plan in six months or a year on how you are going to do it, that is what this is all about – this draft.

Mr. Tellier replied that is right.

Chairman Lopez stated that is what I want to make clear here. In essence then that would verify that you do need some people either way you go here. I think that has been established that you are going to need...either your system or the Mayor's system in order to move forward and comply with the...when they finally make a decision on the draft that they have here now because this draft might change because the State might change the law again so who knows.

Mr. Tellier replied most of the baseline tenants are not going to change as far as the COD, which is a statistical measurement and the range of value between 90% and 110% of value. Those are not going to change.

Alderman Shea stated I am going to get right to the nitty gritty here now. You have someone sitting to your right who is now an Assessor and I am not sure whether Ginny is here or not but let's assume for the sake of argument that you are appointed the Chief Assessor. I would want to know...Ginny I am talking about Tom Nichols. Tom has worked in the Assessor's Office as an Assessor. Now if he became part of the appraisal situation or whatever how would that impact his situation? In other words, would he be given credit for his years of service? I think that all of these people gathered here are obviously looking for that kind of an answer. That is really...

Ms. Lamberton interjected I would think that he would be the first person considered for whichever position he has more credentials for.

Alderman Shea asked would he be given credit for his years of service.

Ms. Lamberton answered absolutely.

Alderman Shea stated so we would not be causing families to be disrupted. I am talking in terms of all of this reorganization.

Ms. Lamberton replied absolutely.

Alderman Shea stated the second point is if a Board were selected of community people making abatements, is five better than three. I am not sure if the Mayor decided on that number on the basis of some kind of background or Nashua has it or something. I am assuming if you were the Director you could work or you would probably in a sense have to work with them but is a five person Board better in your judgement than a three member Board or do numbers make any difference?

Mr. Tellier replied I think we could work with whatever structure. What I am promoting is a full-time Board because I truly believe that it is the best. However, the other system can work just as well. I have worked in that system as well. They had a three member Board...I think the Mayor was promoting a four person Board...

Mayor Baines interjected five.

Alderman Shea asked could the Mayor explain why.

Mayor Baines answered yes. We did that simply because that is the structure that is in Manchester with almost all of your Boards and Commissions. They are five person Boards. Also, as you know when you have three if you have somebody sick or who can't come to meetings you tend to have alternates and things like that so that is the type of thing that we would talk to the Board about.

Alderman Pinard asked with the change in labor grade would their salary change accordingly.

Ms. Lamberton replied what the ordinance says about salaries is and I apologize because I don't have salaries with me tonight but in this case and we will use Tom if he doesn't mind, if we go down four grades then he would get credit for all of his years of service so he would end up landing at the very maximum of Grade 21. I don't know if he is on an A step or longevity step but the goal isn't to harm anybody. The goal is to keep them as whole as we possibly can during a process like that, whoever the employee is.

Mayor Baines stated I want to reiterate that. These two gentlemen sitting here are very fine gentlemen. This is not about people or individuals or about hurting people. It is just trying to do what is best for the citizens overall.

Chairman Lopez stated there being no further questions, I would accept a motion to make a recommendation to the full Board on either proposal.

Alderman Pinard moved to recommend the Mayor's proposed reorganization of the Assessor's Office to the full Board. Alderman Shea duly seconded the motion. Chairman Lopez called for a vote. There being none opposed, the motion carried.

Chairman Lopez addressed Item 4 of the agenda:

Review and discussion relative to the proposed consolidation of Elderly Services, Health and Office of Youth Services.

Mayor Baines stated I would say some of the same things I said on the previous proposal that I presented to you but I would like to remind you that this is the third time that this proposal has been presented. Twice to the former Board of Mayor and Aldermen and once to the new Board. In this proposal very clearly it brings together, again, a more efficient operation which allows the sharing of resources, the unifying if you will of missions, the different organizations around the human service component combining health, elderly and youth services. The reason that this proposal is very important is first of all you need to go back and understand that it maintains the integrity of every unit within the structure and you are going to hear that as we come forward with our other proposals as well. It does not in any way diminish the stature or importance of the people in charge of the units that will function within this overall department. In fact, I will argue very strongly that it will strengthen those positions and strengthen those units. I will give an example of one reorganization that I feel is the example to look for in a way you can strengthen a unit and that was when Public Building Services was put with Highway. Those of us who used to have to work with that structure and saw the change that occurred when that whole unit was able to function within a larger unit looking at shared resources and taking some of the responsibilities away that really deter from the ability of the person in charge to deliver direct services, that is a great model to look at. If you look at the stature of Public Building Services today and what it was before it was brought under the umbrella of Public Works, I think that would be an example that perhaps we have an opportunity to emulate with this proposal that Mr. Rusczeck is proposing. The other thing that is very important to understand is that the functions within this human services area...when you look at Elderly Services if you were searching for a perfect unit to become part of today it would be Health. A lot of issues of the elderly and those of us who are moving too fast in that direction, what are the issues that are of the most concern to elderly today and realizing that we have that socialization component that we cannot minimize the importance of and I would say that the present department does an extraordinary job of fulfilling. When we look at the overall issues of health, we look at physical fitness. We look at nutrition. We look at healthy lifestyle and healthy living. We look at obviously exercise and things of that nature that lead to I think a senior population that is evolving and changing and tends to be very

active and is interested in maintaining a very active lifestyle, again while also having that socialization component, which is very, very critical. You look at the functions of the Health Department and its ability to work with an umbrella, I think the potential is unlimited, especially as we look toward the opening of a free standing senior center facility in this community and I would make the same assertions about Youth Services. I know there has been some discussion that perhaps Youth Services belongs in law enforcement. I could not disagree more strongly against that kind of an assertion. The issues with youth and the things we work with the elderly revolve around the same things – healthy lifestyle, healthy living, drug free living. All of those components of a healthy lifestyle that are critically important. We are talking about the efforts of the Health Department to insure that youth grow up with a very positive message to deter them from risky behavior, whether it be sexual activity, whether it be the use of alcohol or other drugs or tobacco, obviously which is a drug as well. These all fit perfectly under the umbrella and the mission of health services and into a component called human services here in the City. Also, you are going to hear specifically about while maintaining the strength of each one of these units you also have the ability to save some dollars. It is particularly critical that the issue with Youth Services...that has an issue related to how we design the building and how we provide services to people entering the building. We do not need to duplicate some of the services that we are required to provide if, in fact, you had separate units functioning independently. Having said that, I would like to ask Mr. Rusczek to once again make the proposal and again assert to you that the identity of these units will not be lost in what I am proposing. They will be strengthened and services will be expanded at the end of the day if, in fact, you support this effort.

Mr. Fred Rusczek stated a couple of years ago the three departments – Health, Youth Services and Elderly Services embarked upon a several week process to look at what we have between the departments that are similar and the things that we could do together. The plan that you have before you today is largely based on those conversations. I think they now occurred a little over a year ago. Since the Health Department fire, what we have done in response to this request is kind of...I don't want to use the word recycle because what we did was we looked at what was envisioned by the three departments and working together and because of some current changes in the Health Department we fast forwarded so when you see the organizational structure that will come towards the end of the presentation I just want you to know that it was based on the dialogue and stuff that occurred early on. We also looked at the cities of Portland, Maine and Nashua where they have similar structures. The city of Portland, Maine incorporates Elderly Services within the Health Department. It doesn't have an Office of Youth Services per say and just the opposite is true in Nashua where Youth Services functions under the Family Mediation Program as part of the Office of Public Health and Community

Services but no elderly services department. We looked at two different communities. Some of the key aspects of this particular consolidation plan are that Elderly Services will remain intact, as it was presented last time, under the direction of the Elderly Services Director. As part of a larger organization, the plan is that there will be additional support that will free up the time of the Director to pursue the resources and program development for the new senior center and this may avert the need for additional staff for the Elderly Services Department to do this work, particularly since the grant writing experience and the work that we do to get the funds that we need to run the public health department will compliment the pursuit of grants and resources by the Elderly Services Director. There are cost savings in this and again as we get to the organizational structure I will explain them. As the Mayor pointed out, there are invariably reduced construction costs at the Rines Center. I don't know what those construction costs are. There aren't any plans but essentially the consolidation would prevent having to create a structure within a structure if you will with a separate department and separate reception area, etc. The Office of Youth Services and our Community Health Services Division have many similar needs. The need for confidentiality. The need for privacy. The need to be available after hours at times. We have evening clinics going on and we have things like counseling rooms and we are set-up for that sort of private, confidential work. Naturally when we are dealing with things such as communicable disease control, HIV, or TB they are similar to the same sort of privacy that youth would face. Currently the Manchester Health Department has about 65 staff. We have additional staff that we contract with. For example, the City's homeless healthcare services are provided by Catholic Medical Center through a contract with us. We have additional contracts that we have out in the City. For example, we have a CSAT grant, which is a Center for Substance Abuse Treatment federal grant where we contract with community agencies to provide youth substance abuse treatment. The Office of Youth Services currently has seven staff, not counting the Employee Assistance Program. The Employee Assistance Program is kind of a stand-alone program with Tom Jordan and an assistant. We currently provide the administrative support to Tom in terms of all of the accounting functions. Since that is a stand-alone unit, that will continue as a stand-alone separate unit where we will continue, we presume, to provide the accounting support we currently do. The Elderly Services Department, if I have my numbers correctly from the last budget plan, has about five staff members. You have heard all of this before but I will go through it again. What would be the purpose of restructuring and it would be to streamline the administrative activities such as payroll and budgeting and other work so the saved administrative time could be redirected to programs and community services. Each one of our departments has a lot on our plate. We have got a changing demography here in Manchester. We have got a wide variety of folks who speak languages other than English who need to be served. In order to provide the services in some way by getting more hands on the

rock it is a little easier to move. If you think...and folks who know me know that I sometimes like to speak in metaphors but we wouldn't build the great pyramids if we had a bunch of people working separately but working together we are able to move some large blocks. Again, there will be some reduced construction costs for the new facility but most importantly we would be able to develop an organization to address the health and human service needs across all of the age groups in Manchester. One stop shopping for services. There would be no way to pass the buck and say well you need to go to another department. It would all be under the responsibility of the Department of Public Health and Community Services. I already pointed out the department head time that would be able to be redirected to services and away from the administrative functions can be significant when you consider the amount of time that goes into preparing budgets every year and just keeping up on the financial system. The benefits to the individual departments are significant. Without a doubt, the addition of youth counseling and elderly services expertise to the Manchester Health Department services will be beneficial. We will have a greater depth in the relationship between school and youth health. Right now, the Manchester Health Department oversees...I am jumping ahead a few slides here but we oversee a variety of youth programs. We have tobacco youth prevention. We are the runs who run the court referred Smokeless Wednesdays. It used to be called Smokeless Saturdays. We have contracted adolescent substance abuse treatment. That particular Federal grant is about \$500,000 per year. We do HIV and STD counseling and testing for a wide number of youth. We contract out with community agencies around adolescent pregnancy prevention services. As you all know, we provide school health services. Our school health services brings us into the schools where we have contact with things like the Student Assistance Program and a great working relationship with the School Administration. Some of the complimentary programs in Youth Services include their substance abuse hotline and the counseling and treatment referral that they provide. They also provide services for vandalism restitution, anti-graffiti and they do crisis intervention and referral and children in need of services petitions. Another strength that Youth Services has that would be wonderful for the Health Department is the folks who do our counseling and services to youth and others are generally health providers. Youth Services has MSW counselor trained counselors, educated counselors, as well as folks with psychology backgrounds. We are finding that that is a need more and more to kind of interface the mental health and substance abuse into a lot of our clinics and in particular the HIV/STD clinic. The benefit to the Elderly Services Department will be that we provide greater depth and support at the time when it is probably most needed in the development of the new senior center. We will be able to work with them to expand services. Barbara has already done a lot of that over the past several months. Our experience, again, in getting outside funding will likely be of help to the elderly services staff. Youth Services. We can only improve the services we provide to our youth and by linking them closer to the

services of the Health Department, such as Youth Tobacco Prevention, the HIV/STD services and school health services, but another key thing we have in the Health Department is funded with outside money or mostly funded with outside money. We have five different language translators now. We have a full-time Bosnian, a full-time Spanish translator. We have a Russian translator and a Vietnamese translator. For a while we had an Arabic and Egyptian translator. We have a few others. What we do is through some of our grant money...Bosnian and Spanish are important parts of our daily work and some of the other translation services we provide we cycle part-time translators through our services to meet the current need. Currently, we have a lot of Russians. As we deal with more non-English speaking people, the necessity of having a translator available becomes a daily issue. Jumping to the last slide in your packet, the change that we would propose to effectuate some financial benefit right now is that currently we don't have a school and youth health supervisor. That position was held by Mary Ann Cooney for many years as you know. Mary Ann has left us to go to the State. So we would look to consolidate the work of the Director of the Youth Services Department and the position that we had for school and youth health supervisor into one position and effectuate savings by creating a school term school health supervisor. The savings from that action is somewhere in the vicinity of \$15,000 or so. The savings is primarily due to the fact that instead of funding a full year position for school and youth health we will be able to fund what turns out to be a three quarter year or school year position. The school and youth health supervisor is proposed to be a pay Grade 23. The school nurse supervisor would be a Grade 21. The Elderly Services Department as I said earlier would fall under this umbrella completely intact. There would continue to be a Youth Services Supervisor to oversee many of the youth programs on both sides. Again, one of the benefits is that we will be able to take the predominantly prevention activities of the Health Department and mesh them with the predominantly treatment services of the Office of Youth Services. Essentially, that is the presentation. The additional funding that we would save comes from the supervision that is required for the Federal CSAT grant. Built into that grant and this grant just got off the ground in late spring, is about \$14,000 or \$15,000 per year for administrative oversight. By combining the two departments, we believe that is a function that can be picked up by the trained folks who are currently within the Office of Youth Services.

Chairman Lopez asked the two department heads from Elderly Services and Youth Services to come forward.

Mr. Rusczyk stated the plan was transmitted to them last week. Again, it is based on discussions we had earlier. I did speak with Barbara Vigneault last week and Laurel briefly today.

Ms. Barbara Vigneault stated I guess I can only say that from what I have learned in looking into consolidations is that you have to ask yourself what is the outcome of each department to see if they really do fit in a consolidation. If you look at their outcomes or their missions, they need to be very similar. They need to be alike. So, sometimes it is easier to develop mechanisms of coordination that really work. Fred and I have really worked on that together over the past year. We have done the flu shots and we have done some educational information seminars with the Health Department and we have really tried to work together this year to try to establish those important dynamic coordination efforts. I think that the question that needs to be answered and our mission statement is to prevent isolation and promote independence. Maybe Laurel could let us know what hers is to see how similar they are. Other than that, I don't really have any further comments.

Chairman Lopez asked do you support this concept.

Ms. Vigneault answered I believe that our mission statements are different.

Ms. Laurel Buccino stated as we know you have all heard this before. Just to say, our mission statement is to provide a quick response to the problems of youth so there are some differences there. I am not necessarily opposed to the plan. I still have the same concerns that I had originally – loss of identity of youth being able to find us. While I am very excited about going to the Rines Center and support that, we will be moving and changing our name and it concerns me a little bit that youth who may be looking for us won't be able to find us. That is one thing. The other thing is that we in our current space have some security needs. We have a buzz in system and we felt we needed to put that in a year or two ago for some of the clients and parents we deal with. Those are my concerns. Last time, and I didn't hear Fred say it this time and I am not sure if this is still part of the plan but there was talk about some type of reporting to this committee or some committee to see how this was working to insure that we are keeping our identity. I certainly trust and believe that that is the intention although Fred won't always be here and I might now always be here. I know that was part of it last time. That is all I have to say.

Chairman Lopez stated that is a very good point. Do you want to address that, Fred?

Mr. Rusczek stated when we all met we talked about the importance of using the larger department as a vehicle to communicate regularly to the Aldermen on what the needs are and what is changing in the community. I would foresee that within the first year two things will occur. One of them will be a youth summit if you will where we will go out and find out from working with all of the different service providers for youth, the judges and others, to come up with a community-

wide plan on how we move forward and address youth issues. Again, from prevention through the restitution and treatment. We would do the same with Elderly Services. We have a wide variety of service providers for the Elderly in the community now from Easter Seals and Prime Time to Elliot but to get everybody on the same page and behind the concept of the City senior center and what we can do together...that model was used very effectively in Portland, Maine and I think those would be critical things for us to do at the get go. The other is quarterly reports to the Aldermen. This is something that we have been working on within the Health Department. We know a lot about what we have going on. Health care providers know a lot about what we have going on but we don't do a very good job of conveying to you in a simple to read fashion that this is what is changing in Manchester and these are issues. We will do that.

Chairman Lopez stated one of the other issues I want to get to is the mission statements. There is no intention of changing those mission statements if they were to move into your department, right?

Mr. Ruscsek responded the mission statement of the Health Department is pretty broad. Our role is to improve the public health and quality of life of Manchester citizens. It is a broad mission statement. These two different department's mission statements do fit under that. Each of the components within the Health Department have different ways of moving towards that very general mission. Obviously the environmental health issue, which is largely to inspect and enforce to insure a healthy environment, is different than the other missions but they all fit within that large general umbrella.

Mayor Baines stated I believe very strongly that the missions of both departments fit under that umbrella and allow, for example, that the services we provide to these departments to be expanded. As you look at what is happening with elderly services in terms of services provided...especially going into a new facility and the need to reach out to the different institutions such as CMC, Elliot Hospital, Easter Seals and the various other agencies to help and support elderly you see where the breadth of this could be quite expansive. I do want to publicly...I work closer with Barbara because of the nature of the socialization events, and obviously I worked very closely with Youth Services in my other capacity but Barbara has worked very, very hard to really expand the scope of services over the past year. Actually we have had some fun on a lot of occasions even dealing with this very challenging issue of the senior center. My respect is very profound for both of these organizations. I truly understand their missions and if we are going to meet the challenges moving forward over the next decade or more we have to look at combining all of the resources and creating a dynamic that will emerge here. I see at the end of the day...all of these changes should be looked at a year down the line and we should ask what are we doing better and what can we

improve on. We can go back and reexamine things. I think that should be the process of government. My feeling is so strong on this that I know at the end of the day we are going to have a stronger Elderly Services supported by the resources of a larger department and stronger and better services for youth, perhaps looking at the dynamic of all of the issues that are affecting youth today that I outlined in my presentation. I support that effort and the entities, I believe, at the end of the day will be stronger. When people think of Elderly Services they are going to think of a stronger unit as well as Youth Services and Health services with this combining of resources.

Alderman Shea stated I have a couple of things. They have an Elderly Commission now that meets on Hanover Street on the first Tuesday of each month. Are provisions available if the operation were moved to the Rines Center so that these public volunteers could meet regularly at your facility, Fred?

Mr. Rusczek replied certainly. A lot of the work we do now involves a variety of community agencies using our space. The Healthy Manchester Leadership Council for one and there are many others.

Alderman Shea stated my second point and this is for Ginny, in any reorganization when people assume additional responsibilities obviously there is a certain amount of compensation that in the past...for instance when Frank Thomas assumed additional responsibilities he was given an additional stipend. What will happen in this case? Will Fred stay the same? In other words, what is going to happen financially in this arrangement?

Ms. Lamberton replied if Fred wanted to have his position upgraded, Fred would have to do what every other employee does and that means he would have to fill out a questionnaire and go over it with the Mayor and have the information verified and then we would do desk audits and analyze his position to determine whether or not it was appropriate graded but that is not an automatic. Just because somebody assumes more responsibilities doesn't mean they get more money or vice versa. You know if business is slow we don't take money away from people right.

Alderman Shea stated what I am trying to indicate is, with all due respect to the people concerned, if we are doing this for two specific reasons, one being to have a more efficient operation on the part of the departments and the other to help with certain budgetary restraints that we do have it probably is difficult to make a decision from where I am sitting in terms of what I would do. In other words if for instance there was no upgrading of anyone and we are going to put people from two facilities now that are paying rent into the Rines Center, which obviously wasn't in existence when you made this proposal a year or two ago, that makes a

difference because that is not only consolidating things but also causing upgrading as far as facilities are concerned so that is a positive. If, in the process of combining two departments, there is going to be an upgrading on the part of someone and then his assistant...I am not sure. Do you expect to be upgraded, Fred?

Mr. Rusczek stated I am not going to beat around the bush. I will answer it. No, I am not requesting an upgrade as part of this consolidation. If you look at the growth of the Health Department over the past few years, including taking on an additional \$1.5 million worth of grants in no instance there did I request an upgrade and those are very significant changes to my workload.

Chairman Lopez stated we are all aware that in the past three years everybody in this City got more money so more responsibility and I agree with the HR Director that if you give people more responsibility it doesn't necessarily mean more money. That is what they get a 3% merit pay increase and all of that other stuff for. I think they are well compensated for what they do.

Alderman DeVries stated I heard a couple of questions that I don't think have been addressed yet and one came from Youth Services. She was addressing some security issues there that she currently has. Is that going to be facilitated at the Rines Center?

Mr. Rusczek replied I think we all have security concerns and they will be incorporated into the construction of the Rines Center. We currently, in our evening HIV/STD clinics at times can have some difficult characters. Just our regular day-to-day work can have difficult characters. We have six buttons that we carry around now to immediately bring the police if need be. Right now, we have more security than we can possibly manage.

Alderman DeVries stated I certainly remember the sign on your front glass saying "leave your guns outside" or whatever so I don't disagree that you had security issues. I hope that it will be addressed a little bit more efficiently than it was at your last facility and maybe a consultation with Red Robidas would help so all concerns can be addressed. When we are in the process of renovation is the time to catch it. Additionally, you did indicate the \$30,000 savings. Part of that was the \$14,000 in the grant and I assume the other reduction to the $\frac{3}{4}$ year is the other \$16,000.

Mr. Rusczek replied yes and I should tell you in the next year the figures change a little bit but they all kind of hover around \$30,000.

Alderman DeVries stated within Page 4 of our slides there is an indication that there is a potential opportunity to receive reimbursement for alcohol and substance abuse counseling. Is that going to be clarified for us at some point?

Mr. Rusczek replied this would need to be explored but there is new legislation, House Bill 672 that was passed last year that allows health insurance and Medicaid reimbursement for alcohol and substance abuse counseling. There are other services in the Health Department that we can receive Medicaid reimbursement for that we are currently not because we haven't yet hit the critical mass where setting up the billing system would generate revenues. By pooling together within departments we might get closer to that critical mass and be able to recover some of our expenses.

Alderman DeVries asked by having the physician as well does that make a difference for the Medicaid billing.

Mr. Rusczek answered yes absolutely. With the Public Health Preparedness money the MPH we are getting will put that a lot closer.

Alderman DeVries stated the job description for the School and Youth Health Supervisor overseeing the Youth Services Supervisor and School Nurse Supervisor, which one is going to a $\frac{3}{4}$ year.

Mr. Rusczek replied the School Nurse Supervisor.

Alderman DeVries stated because you were calling it a School Health Supervisor in the prior slide so it was a little confusing.

Mr. Rusczek replied right and it will probably still continue to be called a School Health Supervisor. I put Nurse here because under State licensing requirements, the State Board of Nursing requirements rather, the first line supervisor for a nurse has to be a nurse.

Alderman DeVries asked so the School and Youth Health Supervisor, is that a new position or a renaming of a current position.

Mr. Rusczek answered that would be a combination of some of the work of the current school...well it is a vacant position but the position that was the current School Health Supervisor and the Office of Youth Services Director. Some of the work would be combined under one and there would continue to be a Youth Services Supervisor for those components.

Alderman DeVries stated following along the same line of questioning that Alderman Shea had, would that require an upgrading of that position to expand that for youth services.

Mr. Rusczek replied the School and Youth Health Supervisor, as we envision it, would be a pay Grade 23, which is consistent with where we need to be. The other half of this organizational chart is going to change somewhat as we move towards public health preparedness but it meshes very well with equal pay grades for equal work and what have you. We are looking at that position, the pay Grade 23 being equivalent to the other positions.

Alderman DeVries asked is it equivalent to what it was prior to assuming youth services in your organizational chart.

Mr. Rusczek answered no. Our School Health Supervisor who supervised 35 staff works as a pay Grade 21 and one of our challenges is we can't fill any of these positions at pay Grade 21. Our Community Health Supervisor is currently vacant as well. When we did fill that it took us nine months and we had to hire at the very top of the range and that person has now left.

Ms. Lamberton stated I just want to tell you that in the middle of all of this Fred and I have looked at his organizational structure and we had already quite frankly thought organizationally a Grade 23 was more appropriate based on the other positions within the department as well as within the City and then this was one of his thoughts about reinforcing that idea that the position should really be a Grade 23. We were already talking about that and then we decided to back-off until this was through its process one more time.

Alderman DeVries asked would you explain the one underneath also, the Youth Services Supervisor because that would be a new position or is that going to stay the same as the current position.

Ms. Lamberton replied that currently exists as a labor Grade 20.

Alderman DeVries stated I don't know if people want to go into it right now but to be perfectly candid are we talking that the current Director of Youth Services would be eligible for the School and Youth Health Supervisor or is she precluded from that.

Mr. Rusczek replied that would be a nice outcome but I believe, and Ginny correct me if I am wrong, but if there is a position there and she is currently acting we are required by ordinance to go out and advertise.

Ms. Lamberton stated Laurel is only acting director so no matter whether we never reorganize or we do, she has to apply for permanent status or return to her former position. The new ordinance says if you reorganize and put youth and elderly in this department, all of the employees in youth and all of the employees in elderly will be eligible to apply as an in-house employee within that department before it goes outside.

Alderman DeVries responded that was really not my question. Maybe I can ask you more specifically. Would the job description of School and Youth Health Supervisor preclude her based on her current qualifications?

Ms. Lamberton replied no not based on our discussions.

Mayor Baines stated our effort through all of these processes is to be very sensitive to the dedicated and loyal employees. If you notice, that is a theme that you are going to get throughout this process. There is nothing mean spirited about what we are doing. We are just trying to provide and strengthen the units and we are very cognizant of those situations and we are going to insure that our dedicated employees are respected.

Chairman Lopez stated it is important to note that the present employees are our number one priority before we do anything.

Mayor Baines replied that is correct.

Alderman Shea stated one of the concerns that I have is the fact that Mr. Jordan sees people under very adverse situations and conditions and it requires a great deal, at least from my understanding, of privacy, etc. By having him at the Rines Center where there are different people obviously who aren't right now at the facility where he is at, I am wondering how can we best serve the clients who obviously will feel threatened because of the fact of the conditions that they are going...how do we handle that, Fred?

Mr. Rusczyk responded obviously that has to be considered in the Rines Center renovation and I know that has come up many times. That will come up regardless of whether or not there is a consolidation but in looking at that building, there are four entrances to it now. There is one entrance that goes right to a counseling area that might be appropriate. Obviously that is not for me to say but that has to be considered. We do know...Tom Jordan after the fire even has been of tremendous assistance to the Health Department and its staff and through the years.

Alderman Shea asked, Laurel, in terms of Tom does he require a special type of situation because of the nature of his position.

Ms. Buccino answered yes and we talked about that and we talked about that when we met with the architect. The feeling or what we had hoped that they would try to do is put him, as Fred said, by an entrance where someone could come in that door and just go to his office and go right back out that door and not have to go through the whole building. It is almost like...he is in our office now but he does have a door that people can come directly in and out of. Most choose not to, but he feels that it is necessary to give people that option and that is what we would hope to do at the Rines Center as well.

Alderman Shea asked you don't feel that because of his situation there it would curtail the number of people who would want to avail themselves of his services because of the threat that maybe...

Ms. Buccino replied there are so many people around going in and out that it might just make it easier to be unrecognized.

Alderman Shea asked is he buying into that.

Ms. Buccino answered he has no problem but he would like to be, as we said, by an entrance so people would have that option.

Mayor Baines stated I want to emphasize even in that regard that we are very much committed to the independence and the integrity of that position. Nothing in this proposal impacts that in any way, shape or manner.

Alderman Pinard asked have you talked to Ron Robidas. He is our security officer.

Mr. Rusczyk answered almost daily, Alderman, including for about a half-hour or so this afternoon.

Alderman Pinard moved to recommend the Mayor's proposed consolidation of Elderly Services, Health and the Office of Youth Services to the full Board. Alderman Shea duly seconded the motion.

Chairman Lopez stated just for your information, both motions will go before the full Board on October 15 and in the meantime the Clerk will notify the Chairman of Administration of our action because these items were submitted to both committees. I asked that we do this jointly, but the offer was declined so no

matter what action he takes, our action will come before the full Board on October 15.

There being no further business, on motion of Alderman Pinard, duly seconded by Alderman Shea, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee